

Proposed 2021 Market Projects

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April 30, 2020, Krey Corporate Center

Agenda

- **Project Prioritization Phases, Milestones, and Timeline**
- **Project Descriptions**
- **2021 Market Project Candidates**
- **Next Steps**

Project Prioritization Phases, Milestones, and Timeline

Project Prioritization Process

Phase	Description
Identification	This phase involves developing the list of project candidates taking into consideration regulatory obligations, strategic initiatives, State of the Market recommendations, necessary infrastructure enhancements, product plans, stakeholder feedback, etc.
Prioritization	This phase involves a stakeholder survey and the NYISO prioritization of projects. The stakeholder survey will facilitate an assessment of the relative priority of the topic within the portfolio and is used to determine stakeholder appeal. The NYISO prioritization incorporates the stakeholder appeal into objective criteria that reflects strategic alignment, expected outcomes, risks, and ability to execute in development of a priority score for each Market project.
Evaluation	This phase involves performing a feasibility assessment based on detailed cost and labor estimates, dependencies, priority scores, and stakeholder feedback.
Recommendation	This phase involves proposing a feasible set of project deliverables and related budget requirements. The proposal is refined as needed based on stakeholder feedback.

Project Type

Project Type	Description
Mandatory	Strategic Initiatives and FERC Orders. These projects will be included in the budget
Continuing	Approved in a prior year and have progressed to either Software Design or Development Complete. Additional projects may be classified as Continuing based on stakeholder feedback. These projects will be included in the budget
Future	Consensus from stakeholder discussions of this projects priority relative to other projects has resulted in these projects NOT being prioritized and initiated in the coming budget year. Resources, time constraints, stakeholder feedback, and other project dependencies have been taken into consideration
Prioritize	Projects to be prioritized and included in the budget based on a feasibility assessment taking into consideration resources, time constraints, stakeholder feedback, priority score, and other project dependencies. Market projects are included in the stakeholder survey

Project Category

Project Category	Description
Enterprise	Includes internal-facing technology and back office support projects that have no market rule changes. This list includes projects that may be noticeable to Market Participants. These projects are NOT included in the stakeholder survey
Market	Projects associated with market rule(s) including market design and study projects as well as any project implementing market rule changes. These projects are included in the stakeholder survey unless they are Mandatory, Continuing, or Future

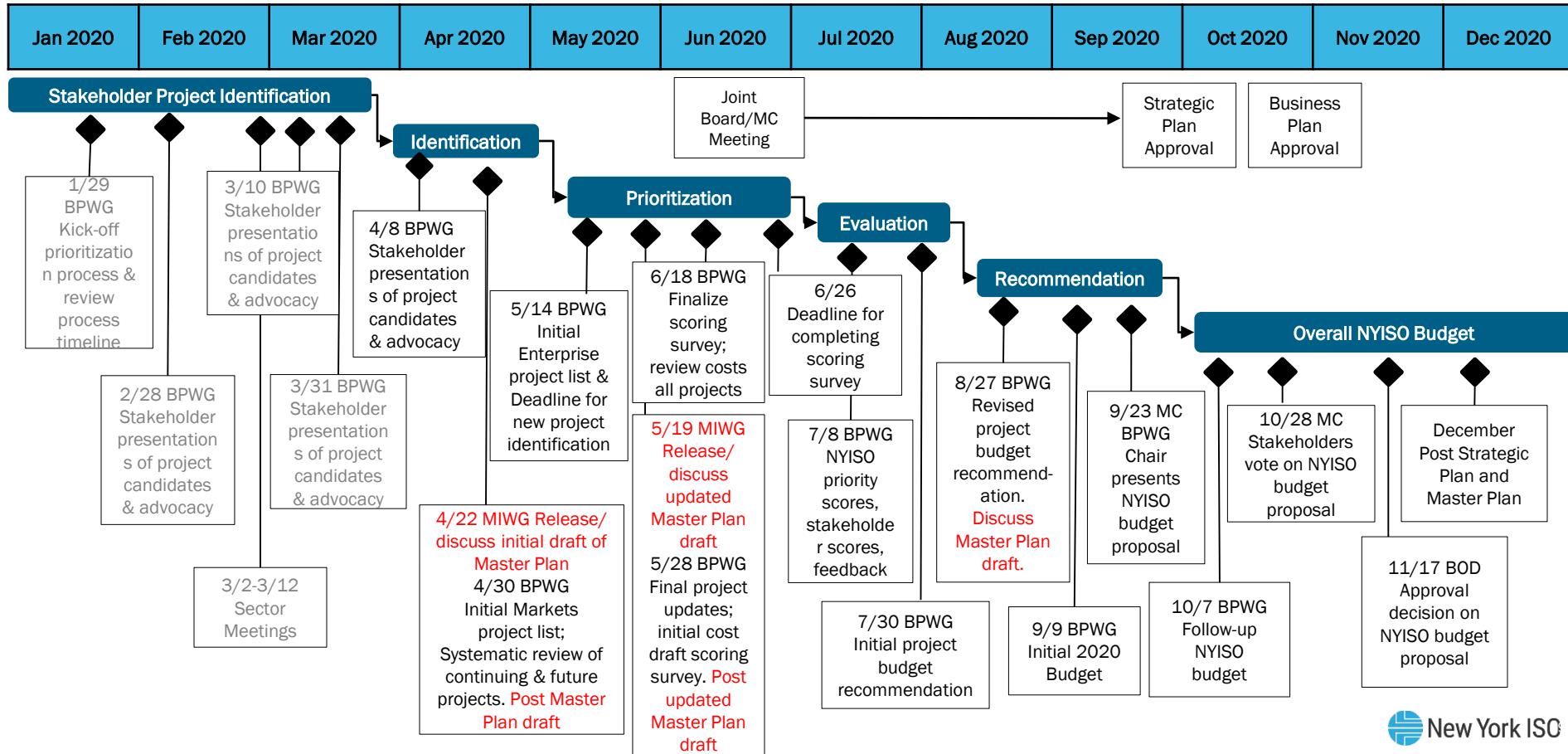
Project Scoring

Project Scoring	Description
NYISO Only	Enterprise projects that are not Mandatory, Continuing, or Future types are scored by the NYISO Only during the Prioritization phase. These projects are included in the budget based on a feasibility assessment taking into consideration resources, time constraints, priority score and other project dependencies.
Stakeholder Scored	Market projects that are not Mandatory, Continuing, or Future are included in the stakeholder survey and scored by the NYISO during the Prioritization phase. These projects are included in the budget based on a feasibility assessment taking into consideration resources, time constraints, stakeholder feedback, priority score, and other project dependencies.

Milestone Definitions

Milestone	Definition
Market Design Concept Proposed	NYISO has initiated, or furthered discussions with stakeholders that explore potential concepts to address opportunities for market efficiency or administration improvements.
Market Design Complete	NYISO has developed with stakeholders, a market design concept such that the proposal can be presented for a vote at the BIC or MC to define further action on the proposal.
Architectural Design	The architectural design document is complete and software development is ready to begin.
Functional Requirements	NYISO has completed documentation of the functional requirements and the Business Owner has approved.
Software Design	The software design document is complete and software development is ready to begin.
Development Complete	Development has been completed, packaged and approved by the Supervisor.
Deployment	Required software changes to support commitment have been integrated into the production environment.
Study Complete	Scope of work to be performed has been completed; results and recommendations have been presented to the appropriate Business Owners and stakeholders.
Study Defined	The scope of work for the study has been presented to stakeholders, including a discussion on the necessary input(s), assumption(s) and objective(s) of the study.
Issue Discovery	NYISO has facilitated education session(s) for stakeholder knowledge development of problem/issue, conducted stakeholder solicitation of potential solutions to address problem/issue, and summarized findings at a working group meeting for potential ranking and future project identification.

2021 Proposed Project Prioritization Timeline



Project Descriptions

Project Descriptions

- **The NYISO has developed project descriptions for 34 proposed Market projects**
 - 1 Business & Finance, 10 Capacity Market, 7 DER, 15 Energy Markets & 2 TCC Market
 - 5 Mandatory, 5 Continuing, 18 Prioritize & 6 Future
- **Project descriptions are included with today's posted meeting materials**

Market Project Descriptions

■ Problem / Opportunity

- This section describes the business problem to be addressed or opportunity to be studied by the proposed project. Supporting background information, prior work, and analysis to the extent it is available should be included.

■ Project Objective(s) & Anticipated Deliverable(s)

- This section describes what the project should do to address the business problem or opportunity. It summarizes the approach and desired outcome, and may build on project work in a prior year. It includes the expected deliverables to satisfy the project objective and is tied to the proposed project milestone. The NYISO will work with the stakeholder(s) proposing a project to formulate what may be feasibly delivered in a particular time frame based on resourcing estimated for the effort.

■ Project Justification

- This section provides reason(s) why the candidate project should be considered. Examples would include addressing a FERC Order, Tariff requirements, automate manual processes, mitigate risk, market enhancements, State of the Market recommendations.

2021 Market Project Candidates

2021 Market Project Candidates

Markets Item	Project Name	Product Area	Project Type
1	Credit Price Spread Updates - Virtual & External Transactions	Business and Finance Products	Prioritize
2	BSM Renewables Exemption Study	Capacity Market Products	Mandatory
3	CRIS Tracking	Capacity Market Products	Mandatory
4	Demand Curve Reset	Capacity Market Products	Mandatory
5	Tailored Availability Metric	Capacity Market Products	Prioritize
6	Enhanced BSM Forecasts Assumptions (SOM)	Capacity Market Products	Prioritize
7	Comprehensive Mitigation Review	Capacity Market Products	Continuing

2021 Proposed Mandatory Market Projects

Markets Item	Project Name	Product Area	Project Type
8	Capacity Demand Curve Adjustments	Capacity Market Products	Prioritize
9	Capacity Transfer Rights for Internal Transmission Upgrades (SOM)	Capacity Market Products	Future
10	Locational Marginal Pricing of Capacity (SOM)	Capacity Market Products	Future
11	Climate Change Impact and Resilience Study	DER Products	Continuing
12	DER Participation Model	DER Products	Mandatory
13	Expanding Capacity Eligibility	DER Products	Mandatory
14	Engaging the Demand Side	DER Products	Prioritize

2021 Proposed Continuing Market Projects

Markets Item	Project Name	Product Area	Project Type
15	Grid in Transition	DER Products	Continuing
16	Hybrid Storage Model	DER Products	Prioritize
17	Ongoing TSO and DSO Coordination	DER Products	Continuing
18	Ancillary Services Shortage Pricing (SOM)	Energy Market Products	Prioritize
19	Reserves for Resource Flexibility	Energy Market Products	Prioritize
20	5 Minute Transaction Scheduling - Requested by HQUS	Energy Market Products	Prioritize
21	Carbon Pricing	Energy Market Products	Continuing

2021 Proposed Future Market Projects

Markets Item	Project Name	Product Area	Project Type
22	Constraint Specific Transmission Shortage Pricing (SOM)	Energy Market Products	Prioritize
23	Large Scale Solar on Dispatch	Energy Market Products	Prioritize
24	Mitigation Thresholds Review	Energy Market Products	Prioritize
25	Multi-Level References	Energy Market Products	Prioritize
26	Reserve Enhancement for Constrained Areas (SOM)	Energy Market Products	Prioritize
27	Adjustment of Energy Offer/Bid Floor (SOM)	Energy Market Products	Prioritize
28	Eliminate Fees for CTS Transactions with PJM (SOM)	Energy Market Products	Future

2021 Proposed Prioritize Market Projects

Markets Item	Project Name	Product Area	Project Type
29	Enhanced PAR Modeling (SOM)	Energy Market Products	Future
30	Long Island PAR Optimization and Financial Rights (SOM)	Energy Market Products	Future
31	Long Island Reserve Constraint Pricing (SOM)	Energy Market Products	Prioritize
32	RTC-RTD Convergence Improvements (SOM)	Energy Market Products	Future
33	Reserving Capacity for TCC Balance-of-Period (BOP) Auctions	TCC Products	Prioritize
34	On-Peak/Off-Peak TCCs - Requested by Calpine	TCC Products	Prioritize

Next Steps

Next Steps

- Written feedback on project descriptions and project type categorization may be provided up till May 5th for incorporation into May 14th presentation
 - Send to Brian Hurysz at bhurysz@nyiso.com or cell (518) 461-6405
- May 14th BPWG is the deadline for stakeholders to identify new projects and still have them included in the scoring survey
- Proposed 2021 Enterprise projects to be reviewed at May 14th BPWG along with any updates to proposed Market projects
- Stakeholder advocacy and draft scoring survey are scheduled for May 28th BPWG

Our mission, in collaboration with our stakeholders, is to serve the public interest and provide benefit to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system



Questions?